

REFERENCE TITLE: WICHE student loans; repayment.

State of Arizona  
Senate  
Forty-ninth Legislature  
First Regular Session  
2009

# **SB 1370**

Introduced by  
Senator Aboud

AN ACT

AMENDING SECTION 15-1745, ARIZONA REVISED STATUTES; RELATING TO THE COMPACT FOR WESTERN REGIONAL COOPERATION IN HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Section 15-1745, Arizona Revised Statutes, is amended to  
3 read:

4              15-1745. Contract with student certified by board

5       A. Before certifying a student to the commission the board ~~shall~~, on  
6 behalf of this state, SHALL enter into a written contract with the student.  
7 The contract shall set forth the methods and terms of repayment by the  
8 student to this state and shall be on terms and conditions and in a form  
9 provided by the board. The contract shall provide:

10      1. That the student ~~shall~~ within one year after completing his  
11 professional education and internship SHALL begin the practice of his  
12 profession within Arizona. If the student engages in postgraduate studies  
13 and does so without a lapse of more than one year following the completion of  
14 his professional course, ~~then~~ he shall begin practice within this state  
15 within one year after completing the graduate studies. If the student is  
16 involuntarily inducted into military service, or for other cause beyond his  
17 control deemed sufficient by the board is unable to begin the practice of his  
18 profession within one year after completing his professional education,  
19 internship and any graduate studies, ~~then~~ he shall begin practice within this  
20 state within one year after completing his required military service or the  
21 termination of such other cause.

22      2. That if the student engages in the practice of his profession  
23 within this state or while completing military service resulting from  
24 involuntary induction, his indebtedness to this state may be discharged in  
25 one of the following ways:

26       (a) By payment to this state of ~~one-half of~~ all sums expended by this  
27 state for and in behalf of the student with interest at the rate prescribed  
28 in subsection B.

29       (b) For each year of practice or internship within this state or in  
30 military service there shall be discharged his obligation for one academic  
31 year of study for which a portion of the cost was paid by this state, except  
32 that each six months of practice shall discharge his obligation for one  
33 academic year of study if such practice is confined to a locality within the  
34 state where there is an exceptional need for his professional services as  
35 determined and certified by the medical board of examiners or licensing board  
36 of his profession.

37      3. That if the student fails to complete the required course of  
38 professional study, or if the course of study is interrupted by one school  
39 year or more for a cause or causes not resulting from involuntary induction  
40 into military service or other cause beyond his control deemed sufficient by  
41 the board, or if the student fails to practice his profession within the  
42 state for such continuous time as completely discharges his obligation,  
43 except for delays resulting from an excusable cause as prescribed in this  
44 section, ~~one-half of~~ the entire sum paid for or on behalf of the student by  
45 this state and not repaid or discharged as ~~herein~~ provided IN THIS SECTION

1 shall be due and payable forthwith with interest at the rate prescribed in  
2 subsection B. The board may extend the time of payment over a period not  
3 exceeding fifteen years and shall not require payment of interest during the  
4 existence of any excusable cause as prescribed in this section.

5 4. That if the student does not begin practice in this state within  
6 the time prescribed in this section but ~~shall have~~ repaid an agreed part of  
7 the sum expended by this state in his behalf, the board may permit him to  
8 discharge the balance of his obligation by subsequent practice within this  
9 state.

10 5. That in the event of the death of the student during the period of  
11 his education, internship or practice, his obligation to this state under  
12 this article shall cease except as to any portion ~~which~~ THAT is then due.

13 B. The interest rate for a student's contract is the rate in effect  
14 for the fiscal year during which the student begins the approved course of  
15 professional study. The board shall establish the interest rate by November  
16 1 of the current year for the following fiscal year. The board shall  
17 establish a rate equal to the average interest rate of auctioned ninety-one  
18 day United States treasury bills over the twenty-four month period ending  
19 September 30 of the current year, except that the board may round the rate to  
20 the nearest one-half per cent. Accrual of interest charges provided by the  
21 contract begins on the first day of the first complete month following  
22 graduation of the student or, for students who fail to complete their  
23 required course of study, the first day of the first complete month following  
24 the date when the student was no longer enrolled.